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SURFACE TRANSPORTATION BOARD



November 15, 2010

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Dear Section Chief:

Please find attached one original of the Memorandum of Rider No.1 to the Master Lease Agreement dated as of November 1, 2010 between the following parties:

Lessee: Strategic Materials
16365 Park Ten Place, Suite 200
Houston, TX 77084

Lessor: The David J. Joseph Company
300 Pike Street
Cincinnati, OH 45202

Please see Exhibit A for the equipment, (16) railcars, involved in this transaction.

This filing is to appear in the index as follows: Memorandum of Rider No.1 to the Master Lease Agreement dated as of November 1, 2010 related to sixteen (16) railcars bearing reporting marks: JTSX 6009 – 6316, sporadic.

Please file this agreement as a primary document. The filing fee in amount of \$41.00 can be charged to our account. Please return a stamped original to my attention.

Should you have any questions or need further information, please do not hesitate to contact me at (513) 419-6082.

Sincerely,

Julie Woodard
Documentation Coordinator

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**MEMORANDUM OF RIDER NO. 1 TO THE
MASTER LEASE AGREEMENT**

SURFACE TRANSPORTATION BOARD

This **MEMORANDUM OF RIDER NO. TO THE MASTER LEASE AGREEMENT** ("Memorandum of Lease") entered into this 1st day of November, 2010, is intended to evidence the master lease agreement dated as of November 1, 2010 and subsequent rider number 1 to the master lease agreement dated November 1, 2010, (collectively, the "Lease"), between **THE DAVID J. JOSEPH COMPANY**, a Delaware corporation ("Lessor"), and **STRATEGIC MATERIALS, INC.**, a Delaware corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under Section 49 of U.S.C. 11301. Lessee has the right to use the sixteen (16) railcars described in Exhibit A attached hereto (the "Units"). Lessee is renting from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, pursuant to due corporate authority, have executed this Memorandum of Lease on the date indicated below each signature.

THE DAVID J. JOSEPH COMPANY

By: Kelly C. Poellein

Name: Kelly C. Poellein

Title: Vice President, Finance – Brokerage

Date: November 1, 2010

STRATEGIC MATERIALS, INC.

By: Curtis E. Buckey

Name: Curtis E. Buckey

Title: President & COO

Date: 11/12/10

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The foregoing instrument was acknowledged before me this 1st day of November, 2010, by Kelly C. Poellein, the Vice President, Finance – Brokerage of The David J. Joseph Company, a Delaware corporation, on behalf of the corporation.

Angela Denise Watts
Notary Public

My Commission has no expiration.

ANGELA DENISE WATTS
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Date Section 147.03 O.R.C.

STATE OF Texas)
)
COUNTY OF Harris) SS:

The foregoing instrument was acknowledged before me this 12th day of November, 2010, by Justin L. Bucy, the President of Strategic Materials, Inc., a Delaware corporation, on behalf of the corporation.

Debra Robb Webb
Notary Public

My Commission expires:

April 8, 2014



EXHIBIT A

To the Memorandum of Lease dated November 1, 2010, between The David J. Joseph Company and Strategic Materials, Inc.

DESCRIPTION OF UNITS

Sixteen (16) railcars bearing reporting marks:

JTSX 6009
JTSX 6013
JTSX 6018
JTSX 6019
JTSX 6021
JTSX 6023
JTSX 6025
JTSX 6029
JTSX 6040
JTSX 6054
JTSX 6064
JTSX 6069
JTSX 6075
JTSX 6079
JTSX 6083
JTSX 6316